A Study of Industrial Fluctuation. An Enquiry into the Character and Causes of the So-Called Cyclical Movements of Trade. By Dennis Holme Robertson. (London: P. S. King and Son, Ltd. 1915. Pp. xiii, 285.)

Mr. Robertson holds that the theory of crises is "a case in which, in the deathless words of the Dodo, everybody has won and all must have prizes, in the sense that almost all the writers who have made any serious contribution to the study of the matter appear to have had a considerable measure of right on their side." Hence his "conviction that the most important work which remains to be done lies in the direction of developing and synthesising the various and often conflicting opinions which have been already expressed." He hopes that his own book makes "an approach to such a synthetic exposition, with perhaps enough of original suggestion and illustration to justify its claim to rank as an independent work" (pp. 1, 2).

First he discusses the fluctuations of particular trades. His leading results are as follows: (1) The longer the "time necessary to construct and prepare for use" the equipment required by an industry, "the longer will the period of high prices continue, the greater will be the over-investment, and the more severe the subsequent depression" (pp. 13, 14); (2) temptations to over-investment are fostered by "accessibility to investable resources"; (3) the larger the size of "the most usual unit of investment" the greater the danger of over-enlarging productive equipment; and (4) the longer the working life of this equipment the longer is depression likely to last. (5) Industries dependent upon annual harvests for their chief raw materials are subject to trouble-making fluctuations in costs; (6) even in "constructional industry" changes in the prices of minerals "play an important if subordinate" role (p. 64); and (7) so too does invention. On the side of demand, the chief causes of fluctuations are fashions, wars, tariffs, "crop volumes," and "crop values." "Generally speaking the effect of an increased crop *volume* is to increase the demand both for land and sea transport, and so indirectly for the products of the iron and steel trades" (p. 75). Large harvests are also likely to encourage investments in productive equipment, especially in new and rapidly developing countries (p. 85). An increased crop *value* generally involves "an increased demand for the products of constructional in-

dustry" (p. 89); but if it occurs "when the constructural boom is far advanced" it may check further construction by cutting down the prospective demand for non-agricultural consumers' goods, and by absorbing an undue share of the now scanty lending power of the banks (pp. 92, 93). In England "a low price of grain . . . is correlated with an increased prosperity of the consumptive trades" (p. 110); in America "there is evidence of a connection between cereal prosperity . . . and the demand . . . for imported food-stuffs"—particularly coffee (p. 104).

All this discussion of fluctuations in particular trades is based on a study of actual business experience as recorded in statistics, the annual commercial histories of the *Economist*, etc. It is realistic in manner and instructive in substance. But when Mr. Robertson advances to the study of the Fluctuations of General Trade (part II), he suddenly abstracts from the fact that industry is conducted by business enterprises in quest of profits. "For the sake of simplicity the argument . . . [is] so framed as to apply primarily to a society in which industrial policy is in the hands of coöperative groups of producers supplying jointly the needful capital, enterprise and labour, and exchanging their products directly with one another" (p. 206).

Now Hamlet without the Prince of Denmark is scarcely quainter than a study of industrial fluctuation without the business man. And just because Mr. Robertson is a consistent logician this mutilation of his subject has the unhappy consequences one is entitled to expect. Since he really inquires what would happen in a barter economy run by coöperative laborers he sheds little light on what does happen in a money economy run by business men. Nor does his supplemental chapter on The Wage and Money Systems make his analysis of an imaginary world applicable to capitalistic money-making England. That could scarcely be accomplished short of recasting the whole of part II on the excellent model of part I.

As I see it, Mr. Robertson is an acute reasoner, with admirable command over his materials, who has chosen an unfortunate method of inquiry. We do indeed need analysis of what goes on beneath "the money surface of things"; but the way to get it is to go *through* money to that for which the money stands—not to conjure up a world from which money is excluded.

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